

GENETEC TECHNOLOGY BERHAD
(COMPANY NO. 445537-W)

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE (“RC”)
(Effective From 28 February 2018)

INTERPRETATION

- (a) "Board" means the Board of Directors of the Company.
- (b) "Company" means GENETEC TECHNOLOGY BERHAD (445537-W).
- (c) "MD" mean Managing Director of the Company.
- (d) "Director(s)" means a director(s) for the time being of the Company.
- (e) "Member(s)" means a member(s) of the RC.
- (f) "RC" means the Committee of Directors established by the Board as the Company’s Remuneration Committee.
- (g) "Secretary" means the Secretary of the RC.

OBJECTIVES

- 1.1. To achieve a balance between setting the level and structure of the remuneration package of Executive Directors including MD and senior management so as to be able to attract and retain the best against its interest in not paying excessive remuneration.
- 1.2. To ensure that the level of remuneration for Non-Executive Directors and Independent Directors are linked to their level of responsibilities undertaken and contributions to the effective functioning of the Board.

FUNCTIONS

- 2.1. To set the remuneration framework for the remuneration of Executive Directors including MD and establish a formal and transparent remuneration policies and procedures to attain and retain Directors and senior management.
- 2.2. To recommend to the Board the remuneration and compensation of the Directors including MD and senior management of the Company in all its forms, which may include to review annually:-
 - 2.2.1 the overall remuneration policy for Directors including MD and senior management to ensure that rewards commensurate with their contributions to the Company’s growth and profitability; and that the remuneration policy supports the Company’s objectives and shareholder value and is consistent with the Company’s culture and strategy;
 - 2.2.2 the performance of the Executive Directors including MD and senior management; and recommend to the Board specific adjustments in remuneration and/or reward payments if any, reflecting their contributions for the year; and which are competitive and consistent with the Company’s objectives, culture and strategy;

- 2.2.3 the level of remuneration for Non-Executive Directors and Independent Directors are linked to their level of responsibilities undertaken and contributions to the effective functioning of the Board; and
 - 2.2.4 the remuneration packages for Members of Board Committee (if any) to ensure that they commensurate with the scope of responsibilities especially for lead role positions such as Board Chairman and Independent Non-Executive Director held and reviews and recommends changes to the Board whenever necessary.
- 2.3. Any such other functions as may be delegated by the Board from time to time.

MEMBERSHIP

- 3.1. The RC shall comprise wholly of Non-Executive Directors with a majority being Independent Directors and number at least three (3) in total.
- 3.2. The Chairman of the RC shall be a Non-Executive Director appointed by the Board, or failing which by the RC Members themselves.

SECRETARY

- 4.1. The Secretary of RC shall be the Company Secretary.

MEETINGS & DECISIONS

- 5.1. The RC shall meet at least once in each year or otherwise as it decides. RC members may participate in a meeting of the RC by means of a conference telephone or similar electronic tele-communicating equipment by means of which all persons participating in the meeting can hear each other and participate throughout the duration of the communication between the RC members and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting.
- 5.2. A quorum shall consist of two (2) Members.
- 5.3. Executive Directors and Non-Executive Directors shall abstain from the deliberations and voting decisions in respect of their respective remuneration either at the RC or Board level as the case may be.
- 5.4. Matters raised and tabled at all meetings shall be decided by a majority of votes of the Members.
- 5.5. In the event of an equality of votes, the Chairman of the RC shall have a second or casting vote.
- 5.6. A resolution in writing, signed by a majority of the Members for the time being who are sufficient to form a quorum shall be as valid and effective as if it had been deliberated and decided upon at a meeting of the RC. Any such resolution may consist of several documents in like form, each signed by one (1) or more Members. The expression “in-writing” and “signed” include approval by legible confirmed transmission by telefax, cable or telegram.

AUTHORITY

- 6.1. The RC shall be entitled to call for advice internally from the Human Resources Managers, Accountants and other staffs or from external sources, when necessary at the Company's expense.
- 6.2. The RC shall have full and unrestricted access to information, records, properties and employees of the Company.

COMPLIANCE

- 7.1. The provisions of Articles 130, 131 and 132 of the Company's Constitution except as otherwise expressly provided in these Terms of Reference shall apply to the RC.